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SENSITIVE

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SUBJECT: PARLIAMENT "IN BALANCE": ACT PARTY SWEARS IN

REPLACEMENT TO ROGUE MP

¶11. (U) ACT Party MP Kenneth Wang was sworn into Parliament November 30, replacing former ACT MP Donna Awatere Huata. Huata was removed from Parliament November 19, after losing a year-long court battle to retain her seat, which culminated in a Supreme Court hearing. The Supreme Court, in its first substantive finding since its inception in January, ruled that Huata distorted the proportionality of Parliament by voting as an Independent, and that Huata had no legal basis on which to bar ACT from invoking the "party-hopping" clauses of the Electoral (Integrity) Amendment Act in order to remove Huata from the Party and Parliament. Speaker of the House Jonathan Hunt announced Huata's seat vacant following the Supreme Court's finding.

Fraud, Abuse, Recriminations

¶12. (U) Awatere Huata's troubles began in December 2002, with media accusing her of using funds from the children's reading program Pipi Foundation for a stomach stapling operation. The ACT Caucus voted to suspend her membership in February 2003, and she has voted as an Independent since that date. Following an investigation by the Serious Fraud Office, Huata and her husband Wi Huata will appear in court December 9 to face 19 counts of misusing checks and perverting the course of justice.

New Zealand's Changing Demographic

¶13. (U) Kenneth Wang's entrance into Parliament as the first Chinese male MP reflects New Zealand's increasing diversity, and emphasizes the growing importance of the Asian electorate, although ACT has been quick to downplay the issue of ethnicity. Wang, 39, was born in China, and emigrated to NZ in 1984. Wang has spoken to the Press about his experiences during the Cultural Revolution, and the impact on him of witnessing the communist authorities, crackdown on dissent and intellectualism. "That taught me a lesson that the socialist ideology and way is often not the best way." Wang is managing director of his own small business Brandworks, an Auckland-based marketing and advertising agency. He will be the ACT Party's Spokesman for Commerce and Small Business, and Associate Spokesperson for Education. Wang is married to Li Ma, and has two children, Colin and Amy.

Comment

¶14. (SBU) Wang's entrance into Parliament will provide ACT its full complement of 9 MPs out of 120. This not only restores lost funding, but advances the Party ahead of the center-left Green Party (9 seats) for provision of questions, seating and speaking order. While ACT's advancement is largely an issue of protocol, Hide likely hopes to capitalize on its better seating and increased number of questions to further its successful attacks on the Government, which most recently led to Labour MP John Tamihere's resignation from Cabinet. ACT's financial boost, combined with the chance to refocus the substantial resources diverted to this case, could not come at a better time for a party polling at less than 3 percent, a far cry from their 7 percent take in the 2002 election, and only half of the minimum 5 percent threshold for entry into Parliament. ACT needs to focus on moving voters past the Huata scandal and onto its policies as the 2005 election looms.

Swindells